

## § 191.6

when the lender or party acting on behalf of the lender.

(i) Declares by written notice that the loan is due pursuant to a due-on-sale clause or

(ii) Commences a judicial or non-judicial foreclosure proceeding to enforce a due-on-sale clause or to seek payment in full as a result of invoking such clause.

(3) A lender shall not impose a prepayment penalty or equivalent fee when the lender or party acting on behalf of the lender fails to approve within 30 days the completed credit application of a qualified transferee of the security property to assume the loan in accordance with the terms of the loan, and thereafter the borrower transfers the security property to such transferee and prepays the loan in full within 120 days after receipt by the lender of the completed credit application. For purposes of this paragraph (b)(3), a *qualified transferee* is a person who qualifies for the loan under the lender's applicable underwriting standards and who occupies or will occupy the security property.

(4) A lender waives its option to exercise a due-on-sale clause as to a specific transfer if, before the transfer, the lender and the existing borrower's prospective successor in interest agree in writing that the successor in interest will be obligated under the terms of the loan and that interest on sums secured by the lender's security interest will be payable at a rate the lender shall request. Upon such agreement and resultant waiver, a lender shall release the existing borrower from all obligations under the loan instruments, and the lender is deemed to have made a new loan to the existing borrower's successor in interest. The waiver and release apply to all loans secured by homes occupied by borrowers made by a Federal savings association after July 31, 1976, and to all loans secured by homes occupied by borrowers made by other lenders after the effective date of this regulation.

(5) Nothing in paragraph (b)(1) of this section shall be construed to restrict a lender's right to enforce a due-on-sale clause upon the subsequent occurrence of any event which disqualifies a trans-

## 12 CFR Ch. I (1-1-13 Edition)

fer for a previously-applicable exception under that paragraph (b)(1).

(c) *Policy considerations.* Paragraph (b) of this section does not prohibit a lender from requiring, as a condition to an assumption, continued maintenance of mortgage insurance by the existing borrower's successor in interest, whether by endorsement of the existing policy or by entrance into a new contract of insurance.

### § 191.6 Interpretations.

The OCC periodically will publish Interpretations under section 341 of the Garn-St Germain Depository Institutions Act of 1982, Public Law 97-320, 96 Stat. 1469, 1505-1507, in the Federal Register in response to written requests sent to the OCC.

## PART 192—CONVERSIONS FROM MUTUAL TO STOCK FORM

### Sec.

192.5 What does this part do?

192.10 May I form a holding company as part of my conversion?

192.15 May I form a charitable organization as part of my conversion?

192.20 May I acquire another insured stock depository institution as part of my conversion?

192.25 What definitions apply to this part?

### Subpart A—Standard Conversions

#### PRIOR TO CONVERSION

192.100 What must I do before a conversion?

192.105 What information must I include in my business plan?

192.110 Who must review my business plan?

192.115 How will the appropriate Federal banking agency review my business plan?

192.120 May I discuss my plans to convert with others?

#### PLAN OF CONVERSION

192.125 Must my board of directors adopt a plan of conversion?

192.130 What must I include in my plan of conversion?

192.135 How do I notify my members that my board of directors approved a plan of conversion?

192.140 May I amend my plan of conversion?

#### FILING REQUIREMENTS

192.150 What must I include in my application for conversion?

192.155 How do I file my application for conversion?